



CENTURY PACIFIC FOOD, INC.

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PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue

Bonifacio Global City, Taguig City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
Officer-in-Charge, Disclosure Department

RE: **PRESS RELEASE** – Century Pacific increases revenues by 22%, and reverts back to earnings growth in the first quarter of 2018

Gentlemen:

Please be informed that Century Pacific Food Inc (CNPF) is issuing the attached press release entitled “Century Pacific increases revenues by 22%, and reverts back to earnings growth in the first quarter of 2018”.

Very Truly Yours,

GIOVANNA M. VERA

Head - Investor Relations



CENTURY PACIFIC FOOD, INC.



Century Pacific increases revenues by 22%, and reverts back to earnings growth in the first quarter of 2018

Century Pacific Food (CNPf), the Philippines' largest canned food company and leading exporter of original equipment manufacturer (OEM) tuna and coconut products, saw consolidated revenues increase by 22% to Php9.13 billion during the first three months of 2018.

Sales volume grew by a similar pace as the Company maintained market leadership in key segments and gained traction in newer categories.

Earnings also reverted back to growth during the period, increasing by 4% to Php732 million. Earnings before interest, taxes, depreciation and amortisation grew at a faster clip of 7% to Php1.15 billion.

“Though headwinds persist in terms of inflation and various input costs, these are being managed by both pricing and cost initiatives. More importantly, we continue to generate robust sales – a positive indication that consumer sentiment remains healthy, and that our brand building and sales generating activities are bearing fruit,” said Chief Finance Officer Oscar Pobre.

CNPf started the year posting double-digit top line growth across its five different segments, continuing the buoyant revenue trend of 2017.

During the first three months of 2018, sales from all three branded businesses – Marine, Meat, and Milk - surged by 23% to Php6.81 billion. This increased the branded units' contribution to 75% of top line, compared to 72% during the full year last year.

Revenues from OEM likewise grew by 19%, to Php2.32 billion, as both the tuna and coconut segments benefitted from increased sales of higher value products. These OEM units, which are primarily export oriented businesses, also supported the Company's bottom line with foreign exchange gains from the US dollar strengthening against the peso.

In terms of profitability, consolidated gross profit was up 13% to Php2.35 billion, with gross profit margin at 25.7% compared to the 27.9% in the first quarter of 2017.

Margins remain challenged with raw material prices still higher compared to low-priced carry over inventories during the same period last year.

Most of these input costs, however, have already seen marked improvement from the latter part of 2017.

“We continue to be cautious in our outlook for 2018 in light of the current inflationary environment. Nonetheless, we think this is an encouraging start and an indication of what will hopefully be improved performance relative to last year,” said Pobre

He added, “We also remain long term positive on our business and the Filipino consumer, and we expect sustained growth in sales of both our core and emerging categories, as we take advantage of the buoyant demand for our products.”

As of the end of the first quarter, CNPF maintained its healthy balance sheet and financial flexibility with net debt-to-equity at 0.52x and net gearing at 0.11x.

During the period, the Company also continued to generate healthy cash flows with cash generated from operations at Php943 million and free cash flow at Php486 million.

The Company likewise sustained its robust return on equity of 18% as of the first quarter of 2018.

About CNPF

Century Pacific Food, Inc. (PSE: CNPF), the Philippines’ largest canned food company, is engaged in the development, marketing, and distribution of processed fish, meat, dairy, and coconut under its own brands, as well as the brands of others. It maintains market leadership locally in the canned fish and canned meat segments, while actively growing its presence in canned and powdered milk. With an established track record in brand-building spanning close to 40 years, it has developed a roster of household names which include *Century Tuna*, *Argentina*, *555*, *Angel*, and *Birch Tree*.

The Company is also a leading exporter of OEM tuna and coconut products in the Philippines.